



## *Report to the Auburn Urban Development Authority*

|                         |                    |
|-------------------------|--------------------|
| Action Item             | 4                  |
| Agenda Item No.         | 7                  |
| City Manager's Approval | <i>[Signature]</i> |

**To:** Chair and Board Members, Auburn Urban Development Authority  
**From:** Robert Richardson, Executive Director  
Andy Heath, Administrative Services Director  
**Date:** June 29, 2009  
**Subject:** Auburn Urban Development Authority Operating, Capital Project and Debt Service Budgets for Fiscal Year 2009-10

### *The Issue*

Shall the Board of Directors authorize the revenue estimates and expenditure appropriations recommended by the City Manager for the operations of the City's Redevelopment Agency funds for fiscal year 2009-10?

### *Action Requested*

Review and consider recommended appropriations for the City's Redevelopment Agency funds for fiscal year 2009-10.

- 1) By RESOLUTION, adopt appropriations for the Auburn Urban Development Authority Operating, Capital Project and Debt Service Funds as summarized in the Fiscal Year 2009-10 Proposed Budget.

### *Background*

The City of Auburn redevelopment agency, known as the Auburn Urban Development Authority (AUDA), undertakes projects to improve public facilities, create jobs, revitalize neighborhoods, and provide funding for low and moderate income housing. Capital funding for projects can be obtained through loans (and other indebtedness), and the debt service on these debts is paid with property tax revenues ("tax increments") from the growth in assessed value above the unimproved taxation levels.

State law specifies that redevelopment agencies must "set aside" 20% of the tax increment proceeds for the purpose of meeting low or moderate income housing needs. Housing programs include (but are not limited to): support for new housing projects, single-family mortgage subsidies, acquiring new multi-family housing, housing rehabilitation loan programs and reimbursement of City administrative expenses related to these types of activities.

### Analysis

The proposed budget outlines AUDA revenue sources of \$700,000 and expenditures of \$3.15 million. In October 2008, the AUDA sold Tax Allocation Bonds, generating \$4.6 million to ultimately be used for AUDA redevelopment projects. It is anticipated that \$2.25 million of the bond proceeds will be used towards the first phase of the Streetscape Project during fiscal year 2009-10. Unused bond funds are expected to be carried forward to future years, when they will be used towards eligible projects. An additional \$100,000 is budgeted for further improvements to the Jury Parking Lot.

During fiscal year 2009-10, 20% of anticipated tax increments revenues, or \$128,000, is expected to be transferred to the Low and Moderate Income Housing Fund. It is anticipated that the Low and Moderate Income Housing Fund will have a fund balance of \$657,799 at the end of fiscal year 2009-10.

Tax increment received is expected to be \$640,000 slightly lower than anticipated receipts for fiscal year 2008-09 due to an expected decrease in supplemental taxes collected. Realization of proposed receipts of tax increment and expected expenditures leaves the AUDA with a projected unrestricted fund balance of approximately \$1.15 million at the end of fiscal year 2009-10.

### Alternatives Available to Council; Implications of Alternatives

1. Accept the recommendations of the City Manager, as submitted for Fiscal Year 2009-10
2. Modify specific appropriations recommended by the City Manager.

### Fiscal Impact

The Fiscal Year 2009-10 Proposed Budget for the AUDA balances recommended expenditures with anticipated revenues and carryover monies for all funds.

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RESOLUTION NO. 09-  
RESOLUTION APPROVING OPERATING, CAPITAL PROJECT AND DEBT SERVICE  
BUDGETS FOR FISCAL YEAR 2009-10

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THE AUBURN URBAN DEVELOPMENT AUTHORITY DOES HEREBY RESOLVE:

That the Auburn Urban Development Authority ("AUDA") does hereby  
adopt and approve appropriations for the AUDA Operating, Capital Project and  
Debt Service Funds, as set forth in the Fiscal Year 2009-10 Proposed Budget.

Copies of these budget documents are available for review at the Office of the  
City Clerk.

DATED: June 29, 2009

\_\_\_\_\_  
J.M. Holmes, Chair

ATTEST:

\_\_\_\_\_  
Joseph G. R. Labrie, Secretary

I, Joseph G. R. Labrie, Secretary of the Auburn Urban Development  
Authority, hereby certify that the foregoing resolution was duly passed at a  
regular meeting of the Auburn Urban Development Authority held on the 29<sup>th</sup>  
day of June 2009 by the following vote on roll call:

Ayes:  
Noes:  
Absent:

\_\_\_\_\_  
Joseph G. R. Labrie, Secretary

**City of Auburn**  
**Fiscal Year 2009-10 Budget**  
**Auburn Urban Development Authority (Redevelopment) Fund (Fund 35)**

|  | <u>ACTUAL</u><br><u>2007-08</u> | <u>REVISED</u><br><u>BUDGET</u><br><u>2008-09</u> | <u>ESTIMATED</u><br><u>ACTUAL</u><br><u>2008-09</u> | <u>PROPOSED</u><br><u>2009-10</u> |
|--|---------------------------------|---|---|-----------------------------------|
| <b>Revenues:</b>                               |                                 |   |   |                                   |
| Property Taxes                                 | \$ 683,079                      | 670,000   | 670,000   | 640,000                           |
| Interest Income                                | 61,441                          | 60,000  | 55,000  | 60,000                            |
| Other Revenues                                 | -                               | -   | -   | -                                 |
| Proceeds of Bonds                              | -                               | 4,625,000   | 4,702,323   | -                                 |
| <i>Total:</i>                                  | <u>\$ 744,520</u>               | <u>5,355,000</u>                                  | <u>5,427,323</u>                                    | <u>700,000</u>                    |
| <b>Expenditures:</b>                           |                                 |   |   |                                   |
| Administrative Expense                         | \$ 120,925                      | 136,766   | 175,000   | 175,000                           |
| Professional / Contractual Services            | 68,028                          | 200,000   | 235,000   | 150,000                           |
| Special Projects                               | -                               | 5,000   | 11,187  | 5,000                             |
| Debt Service                                   | 25,303                          | 2,234   | 2,234   | 2,234                             |
| Capital Projects                               | 306,698                         | 2,800,000   | 365,000   | 2,350,000                         |
| Redevelopment Funding Shift - State            | -                               | 57,000  | -   | -                                 |
| Transfers-Out for Low / Mod Set Aside          | 136,615                         | 135,000   | 135,000   | 128,000                           |
| Transfers-out for Debt Service                 | -                               | 678,000   | 678,000   | 339,000                           |
| Bond Closing Costs                             | -                               | -   | 105,223   | -                                 |
| <i>Total:</i>                                  | <u>\$ 657,569</u>               | <u>4,014,000</u>                                  | <u>1,706,644</u>                                    | <u>3,149,234</u>                  |
| Excess (deficit) of revenues over expenditures | \$ 86,951                       | 1,341,000   | 3,720,679   | (2,449,234)                       |
| Beginning Fund Balance                         | 1,191,544                       | 1,278,495   | 1,278,495   | 4,999,174                         |
| Less:  |                                 |   |   |                                   |
| Restricted Cash - Bond Proceeds                | -                               | 1,450,000   | 3,639,100   | 1,389,100                         |
| Restricted Cash - Pass Through Deferred        | 33,509                          | 8,203   | 8,203   | 5,969                             |
| Ending Fund Balance                            | <u>\$ 1,244,986</u>             | <u>1,161,292</u>                                  | <u>1,351,871</u>                                    | <u>1,154,871</u>                  |

**Capital Expenditure Detail**

|                                 | <u>ACTUAL</u><br><u>2007-08</u> | <u>REVISED</u><br><u>BUDGET</u><br><u>2008-09</u> | <u>ESTIMATED</u><br><u>ACTUAL</u><br><u>2008-09</u> | <u>PROPOSED</u><br><u>2009-10</u> |
|---------------------------------|---------------------------------|---|---|-----------------------------------|
| <b>Capital Expenditures</b>     |                                 |   |   |                                   |
| 65021 - Lincoln Way Streetscape | \$ 306,698                      | 2,800,000   | 300,000   | 2,250,000                         |
| 66000 - Jury Parking Lot        | -                               | -   | 65,000  | 100,000                           |
| <i>Total:</i>                   | <u>\$ -</u>                     | <u>-</u>  | <u>365,000</u>                                      | <u>2,350,000</u>                  |

**City of Auburn**  
**Fiscal Year 2009-10 Budget**  
**Auburn Urban Development Authority Low / Mod Set-Aside Fund (Fund 34)**

|  | <b>ACTUAL<br/>2007-08</b> | <b>REVISED<br/>BUDGET<br/>2008-09</b> | <b>ESTIMATED<br/>ACTUAL<br/>2008-09</b> | <b>PROPOSED<br/>2009-10</b> |
|--|---------------------------|---------------------------------------|---|-----------------------------|
| <b>Revenues:</b>                               |                           |                                       |   |                             |
| Interest Income                                | \$ 11,379                 | 13,000                                | 12,000                                  | 15,000                      |
| Other Revenues                                 | -                         | -                                     | -                                       | -                           |
| Transfers-In from Other Funds                  | 136,616                   | 135,000                               | 135,000                                 | 128,000                     |
| <i>Total:</i>                                  | <u>\$ 147,995</u>         | <u>148,000</u>                        | <u>147,000</u>                          | <u>143,000</u>              |
| <b>Expenditures:</b>                           |                           |                                       |   |                             |
| Administrative Expense                         | \$ 2,336                  | -                                     | 650                                     | -                           |
| Contactual Services                            | 1,479                     | 5,000                                 | 3,195                                   | 5,000                       |
| Debt Service                                   | -                         | -                                     | -                                       | -                           |
| Capital Projects                               | -                         | -                                     | -                                       | -                           |
| <i>Total:</i>                                  | <u>\$ 3,815</u>           | <u>5,000</u>                          | <u>3,845</u>                            | <u>5,000</u>                |
| Excess (deficit) of revenues over expenditures | \$ 144,180                | 143,000                               | 143,155                                 | 138,000                     |
| Beginning Fund Balance                         | 232,464                   | 376,644                               | 376,644                                 | 519,799                     |
| Ending Fund Balance                            | <u>\$ 376,644</u>         | <u>519,644</u>                        | <u>519,799</u>                          | <u>657,799</u>              |

**City of Auburn**  
**Fiscal Year 2009-10 Budget**  
**Auburn Urban Development Authority Debt Service Fund (Fund 33)**

|  | <b>ACTUAL<br/>2007-08</b> | <b>REVISED<br/>BUDGET<br/>2008-09</b> | <b>ESTIMATED<br/>ACTUAL<br/>2008-09</b> | <b>PROPOSED<br/>2009-10</b> |
|--|---------------------------|---------------------------------------|---|-----------------------------|
| <b>Revenues:</b>                               |                           |                                       |   |                             |
| Interest Income                                | \$ -                      | 12,000                                | 7,500                                   | 9,000                       |
| Other Income                                   | -                         | -                                     | -                                       | -                           |
| Transfers In - AUDA Bonds Issued               | -                         | 678,000                               | 678,000                                 | 339,000                     |
| <i>Total:</i>                                  | <u>\$ -</u>               | <u>690,000</u>                        | <u>685,500</u>                          | <u>348,000</u>              |
| <b>Expenditures:</b>                           |                           |                                       |   |                             |
| Administrative Expenses                        | \$ -                      | -                                     | -                                       | -                           |
| Services and Supplies                          | -                         | -                                     | -                                       | -                           |
| Debt Service                                   | -                         | 339,000                               | 337,686                                 | 339,000                     |
| Transfers-Out                                  | -                         | -                                     | -                                       | -                           |
| <i>Total:</i>                                  | <u>\$ -</u>               | <u>339,000</u>                        | <u>337,686</u>                          | <u>339,000</u>              |
| Excess (deficit) of revenues over expenditures | \$ -                      | 351,000                               | 347,814                                 | 9,000                       |
| Beginning Fund Balance                         | -                         | -                                     | -                                       | 347,814                     |
| Ending Fund Balance                            | <u>\$ -</u>               | <u>351,000</u>                        | <u>347,814</u>                          | <u>356,814</u>              |